

AGENDA
EXECUTIVE FINANCE COMMITTEE
April 26, 2017 at 1:30 P.M.

Location: Treasury Conference Room, KC Admin. Bldg., Room 610 (6th Floor)

Committee Members: Councilmember Dave Upthegrove, Chair, Dwight Dively, Director PSB; Ken Guy, Director FBOD; Caroline Whalen, County Administrative Officer

Staff: Scott Matheson, Treasury Operations Manager; Mike Smith, Chief Investment Officer; Christine Denis, Credit Analyst; Manny Cristobal, Financial Accounting Supervisor

AGENDA ITEMS

1. **Action:** Approval of Minutes of the March 22, 2017 Executive Finance Committee meeting (pages 2)
2. **Briefing:** Presentation on County green bond program. (Handout)
Felix Amerasinghe, CFO Natural Resources and Parks
Nigel Lewis, Senior Debt Analyst
Rob Shelley, Managing Director, Piper Jaffray
3. **Briefing:** Quarterly portfolio review of the King County Investment Pool by PFM (Handout)
John W. Molloy, CFA, Managing Director, PFM
4. **Action:** Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code): Approval of the request for an increase of in the current interfund loan to the Building Repair and Replacement Fund 3951 to \$8,475,000 from \$4,976,000. Bonds are expected to be issued in late summer or early fall, which means this temporary \$3.5 million increase is only needed until 9/30/17. After bonds are issued, the approved loan amount will return to \$4,976,000 with a term of 12/31/2020. (pages 3-5)
Hanh Mai, Finance & Administrative Services Manager, FMD
5. **Briefing:** Post Bond Issuance Compliance Report. (pages 6-7)
Ken Guy, Director FBOD
Nigel Lewis, Senior Debt Analyst
6. **Briefing:** March 2017 Investment Summary
 - Issuer Diversification , Credit Exposure and Compliance Report (page 8)
 - King County Investment Pool Yield & Duration versus Custom Benchmark (page 9)
 - Detailed Transaction Report - Investment Activity Summary (page 10)
 - King County Investment Pool Asset Allocation (page 11)
 - King County Investment Pool Maturity Distribution (page 12)
 - Investment Performance Review & Impaired Pool Summary (pages 13-21)
 - Interest Rate Summary (page 22)*Mike Smith, Chief Investment Officer*
7. **Action:** Committee's direction for investment of idle cash balances of specific County funds not needed for immediate expenditure.

Staff Recommendation: Direct the Treasury Section to target the maximum average duration of the King County Investment Pool at the 0.8 to 1.3 year range.

Mike Smith, Chief Investment Officer
8. **Briefing:** Interfund Borrowing for March 2017 (page 23)
 - Interfund Interest Report – County Tier 2 Funds
 - Pooled Tier 1 County Funds with Negative Cash Balances
 - Excluded County Funds with Negative Balances – Tier 2 Funds Not Paying Interest*Bill Forristall, Business & Finance Officer IV*
 - Interfund Loans Among District & Non-County Funds (page 24)
 - Interfund Borrowings – EFC Approved Loans (page 25)*Mike Smith, Chief Investment Officer*

OTHER BUSINESS

ADJOURNMENT

MINUTES
EXECUTIVE FINANCE COMMITTEE
March 22, 2017

The Executive Finance Committee (EFC) Meeting was held March 22, 2017 at 1:35 and adjourned at 1:45 p.m.

Members Present

Dave Upthegrove
Tom Koney (for
Caroline Whalen)
Ken Guy
Dwight Dively

Others Present

Andrew Kim
Peggy Pahl
Jennifer Merkel
Patrick Hamacher
Scott Matheson

**Others Present -
Continued**

Nigel Lewis
Bill Forristall
David Reich
Christine Denis

Members Absent

Caroline Whalen

ACTION ITEMS


1. **Minutes** – The Committee unanimously approved the Minutes of the February 22, 2017 Executive Finance Committee meeting.
2. **“Official Intent” Motion** – The Committee unanimously approved the motion documenting the County’s intent to obtain financing for the Youth & Amateur Sports Fund Project.
3. **Investment Direction** – The Committee unanimously approved the Treasury recommendation to maintain the maximum effective duration of the King County Investment Pool in the 0.8 to 1.3 year range.

BRIEFINGS

1. **February 2017 Investment Summary** – The Committee was provided a summary report showing the pool was in compliance with all its policies, reviewed investment performance, and monthly investment activity. In addition, the Committee reviewed the distribution of investment holdings by maturity, security type, credit rating, and issuer. The Committee was updated on the payments received from the VFNC Trust investment. The Committee was also briefed on the current interest rate and economic environment.
2. **February 2017 Interfund Borrowing** – The Committee was provided a review of both County and non-county interfund borrowing.

OTHER BUSINESS

None



Scott Matheson, Treasury Manager



King County

Facilities Management Division

Anthony Wright, Division Director

Department of Executive Services

500 Fourth Avenue, Room 800

Seattle, WA 98104

Phone: (206) 477-9352

Fax: (206) 205-5070

April 20, 2017

TO: Mike Smith, Investment Officer, Finance & Business Operations Division

FM: Anthony Wright, Division Director, Facilities Management Division

RE: Request for Executive Finance Committee Approval for Inter-fund Borrowing

The purpose of this memorandum is to request the Executive Finance Committee's approval of an interfund loan of \$3,500,000 to the Building Repair and Replacement Fund 000003951 for the DPD Consolidation project. The \$3.5 million will be used to provide the cash flow until the bond is sold repaying the fund in September 2017.

This project (1130205 DPD CONSOLIDATION) includes tenant improvements in the Dexter Horton Building to house the Department of Public Defense (DPD) staff currently located in the Chinook Building and the Prefontaine Building.

This project was originally approved in ordinance # 18425 signed on December 13, 2016 and given a budget of \$2,005,056. Additional budget of \$4,906,809 was then received in ordinance #18450 signed on February 1, 2017.

I appreciate your consideration of this request. Please feel free to contact Leo Griffin, Acting Operations Manager, FMD, at (206) 477-9364 if you have any questions or need additional information.

Cc:

Leo Griffin, Acting Operations Manager, FMD

Hanh Mai, Finance & Administrative Services Manager, FMD

Sid Bender, Budget Supervisor, PSB

APPENDIX III – COUNTY FUND APPLICATION FORM



King County

COUNTY FUND APPLICATION FOR INTERFUND LOAN

COUNTY FUND MANAGER CONTACT INFORMATION

Fund name and number: Building Repair & Replacement / 000003951

Fund Manager: Kathy Pravitz

Fund Manager Title: Business & Finance Officer III

Contact name (if different):

Contact title:

Phone: 477-9387

Fax: 205-5070

BORROWING REQUEST DETAILS

Fund name: Building Repair & Replacement

Fund number: 000003951

Term of loan requested (projected start and end date): February 1, 2017 – September 30, 2017

Is this a new loan request or a request to modify an existing loan? Modify an existing

Has this loan request been reviewed by Office of Performance, Strategy and Budget? Yes ☐ No ☒ If "Yes", list the name of the reviewer: Sid Bender

If this a "Funds Transfer Loan" as defined in Section 5.9 of the County's Interfund Loan Policy complete Part A. otherwise complete Part B

PART A

Provide both the fund name(s) and fund number(s) of the lending fund(s).

Who has determined whether the lending fund(s) designated above is legally able to finance this loan?

PART B

For "Automated Interest Loans" as defined in Section 5.3 list the maximum negative cash balance forecasted during term of loan :

Current Borrowing: \$2,275,000	KSC Consolidation PH 2 FL 7-8	#1124156	Loan Term: 6-1-2015 thru 6-1-2020
2,700,000	KSC Consolidation PH 3 FL 3,4,8	#1126343	Loan Term: 12-1-2015 thru 12-31-2020
Current Total \$4,975,000			

NEW REQUEST: \$3,500,000	DPD Consolidation	#1130205	Loan Term: 1-1-2017 thru 9-30-2017
NEW TOTAL \$8,475,000			

ADDITIONAL INFORMATION

Why is this borrowing necessary? The capital project to consolidate the Department of Public Defense (DPD) in the Dexter Horton Building has been approved by the King County Council but the bond proceed revenue backing won't be available until the bonds are issued in late summer or early fall of 2017. The proposed interfund loan is requested because the fund balance in the Building Repair and Replacement fund is insufficient to provide bridge funding for the \$3.5 million of expenditures estimated to occur before the bonds are issued.

What will be the source of the funds to repay the interfund loan? Upcoming 2017 bond sale.

If the interfund loan involves a project that is or will be related to a bond issue, has this interfund loan proposal been reviewed by the Treasury Operations Compliance Officer? Yes ☐ No ☒

FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)

Signature:

Print Name: Hanh Mai

Title: Finance & Administrative Services Manager

Date: 4/12/2017

Please include with this application a cash flow forecast showing the fund's cash needs over the expected borrowing period.

Interfund loan approved? Yes ☐
No ☐

Date Approved/Denied:

Loan interest rate:

Maximum interfund loan amount approved \$

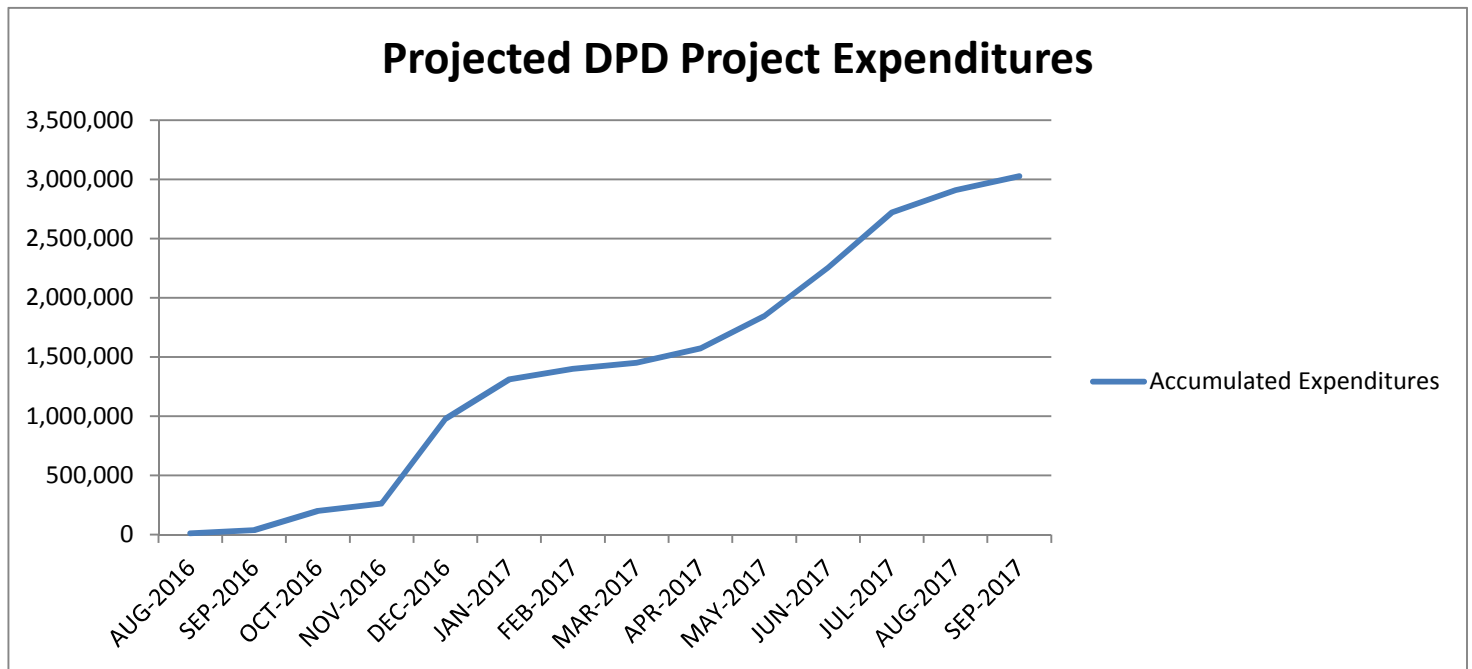
Repayment date:

Other special loan terms or comments:

FMD CAPITAL PROJECT EXPENDITURE CHART -- 1130205 DES FMD DPD CONSOLIDATION

BORROWING REQUEST FOR: 1130205 DES FMD DPD CONSOLIDATION

\$3.5 million of Interfund Borrowing is being requested to cover the negative cash balance that will occur in F3951 until the various purpose bonds are sold by September 2017.



	Monthly Expenditures	Dates	Accumulated Expenditures
Actual Expenses	10,930	AUG-2016	10,930
	26,871	SEP-2016	37,801
	161,632	OCT-2016	199,434
	62,462	NOV-2016	261,896
	715,604	DEC-2016	977,500
	333,819	JAN-2017	1,311,319
	89,008	FEB-2017	1,400,327
	50,613	MAR-2017	1,450,940
	121,028	APR-2017	1,571,968
Estimated Expenses	271,877	MAY-2017	1,843,846
	409,400	JUN-2017	2,253,246
	465,731	JUL-2017	2,718,976
	187,416	AUG-2017	2,906,393
	118,961	SEP-2017	3,025,354
Total	3,025,354		

POST-BOND ISSUANCE COMPLIANCE REPORT

YEAREND 2016

This report is intended to satisfy the annual reporting requirement included in the adopted procedures that the Executive Finance Committee adopted in 2013 to ensure the County's post-issuance compliance with Internal Revenue Service (IRS) rules. These procedures place responsibility for ensuring such compliance with the County Finance Director who in turn identified a Compliance Officer -- the Senior Debt Analyst -- to act as his agent for monitoring compliance.

The report provides updates regarding the status of the County's compliance with IRS requirements and the adopted procedures. It is broken down into 4 separate subject areas as follows:

Private Use Issues

During 2016 the following two areas of concern regarding potential private use non-compliance were addressed:

- * In order to remediate potential private use issues arising from the sale of the Tall Chief golf course to a local dairy, an amending ordinance was adopted in May that re-programmed the proceeds of the 2014B LTGO bonds which originally financed the acquisition of the property;
- * Ahead of KCIT's downsizing of its usage of the facility which would likely have given rise to private use issues of an undetermined magnitude, in December the County defeased ALL of the outstanding 2010E LTGO bonds that financed the FMD tenant improvements to the Data Center.

A new concern did emerge, however, during 2016 regarding the use of the proceeds of a 2009 bond issue to fund the County's contribution to the YWCA's Passage Point Project in Maple Valley. This concern, which caused a postponement of a planned refunding of the 2009 bonds in December, is based on the recently-discovered fact that the contribution actually took the form of a loan to a non-profit entity rather than as a straight grant. The County has been working closely with bond and tax counsel to better understand the problem and to develop a strategy for resolving this issue. Such resolution is expected by mid-year.

Spend-down of Proceeds

The yearend 2016 Quarterly Tracking Reports indicate that the proceeds of each recent issue of LTGO bonds have either been, or are expected to, be expended within requisite timeframes. A few noteworthy items in this regard are as follows:

- * The proceeds of the 2014B that were re-programmed from the Tall Chief golf course (see above) to several other smaller projects which were otherwise to be funded by Conservation Futures Levy revenues were fully expended by the end of December;

- * The one project that may justify closer monitoring in this regard is the District Court Case Management System, the expected completion date for which has been pushed back to October 2018, exactly 3 years after the issuance of the 2015B bonds that provided its funding; and
- * The Roads Division has identified that it has completed its FRED project and does not need \$100,000 of the funds raised from the 2015B bonds. Accordingly, their sub-fund will soon be closed and the unused proceeds will be applied to paying their debt service.

Arbitrage

After several years of working closely with the BLX Group PLC, the County's outside analyst, the County is now current with its IRS arbitrage reporting requirements. No rebate payments to the IRS were necessary.

Training

After a comprehensive internal training session for Fund Managers was conducted by one of the county's bond counsel firms in December 2015, no such session was offered in 2016. Although this may be viewed as technically constituting a violation of the adopted procedures, the Compliance Officer continuously provides internal education and guidance, often supplemented with additional clarification from the PAO or bond counsel, individually to Fund Managers and other county personnel as may be requested or needed.

Both the Compliance Officer and the attorney from the PAO with responsibility for bond-related matters attended the National Association of Bond Lawyers (NABL) conference in Chicago and several seminars put on by local bond counsel firms, all of which were excellent sources of information regarding current regulatory developments.

KING COUNTY INVESTMENT POOL
ISSUER DIVERSIFICATION, CREDIT EXPOSURE and COMPLIANCE REPORT
03/31/17

The investment pool complies with all constraints listed in Schedule 1 of the investment policy

	Book Value	% of Portfolio	Issuer Limits/Restrictions	Credit Agency Ratings		Minimum Credit Restrictions	Maximum Maturity
				S&P	Moody's		
U.S. TREASURIES		100%	NONE			NONE	5 Years
U.S. T-Bills or T-Notes	\$2,261,063,523.95	36.3%	In Compliance	AA+	Aaa	In Compliance	In Compliance
35% per agency across investment type							
U.S. AGENCIES		100%				NONE	5 Years
Federal Farm Credit Bank (FFCB)	\$581,287,922.22	28.3%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal National Mortgage Association (FNMA)	\$399,613,319.36	9.3%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal Home Loan Bank (FHLB)	\$239,176,822.76	6.4%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal Home Loan Mortgage Corporation (FHLMC)	\$546,381,918.52	3.8%	In Compliance	AA+	Aaa	In Compliance	In Compliance
5 Year Average Live							
U.S. AGENCY MORTGAGE BACKED SECURITIES		Not to exceed 25%	35% per agency			NONE	
CMO Agencies FNMA	\$5,533,072.64	0.1%	In Compliance	AA+	Aaa	In Compliance	In Compliance
MUNICIPAL BONDS - GENERAL OBLIGATIONS		Not to exceed 20%	Not to exceed 5%			A or better	5 Years
		0.0%	In Compliance				
Not to exceed 25% per dealer							
REPURCHASE AGREEMENTS		100.0%				A1/P1^{(1) (2)}	60 Days
Wells Fargo Securities, Inc. Tri-party Repo	\$111,000,000.00	1.8%	In Compliance	A-1+	N/A	In Compliance	In Compliance
Not to exceed 5% per dealer							
REVERSE REPURCHASE AGREEMENTS		Not to exceed 20%				A1/P1⁽¹⁾	6 Months
		0.0%	In Compliance				
LOCAL GOVERNMENT INVESTMENT POOL		Not to exceed 25%	State of WA LGIP only			NONE	N/A
Washington State Treasurer's LGIP	\$625,418,993.91	10.0%	In Compliance	N/A	N/A		
5% per issuer across investment type							
BANKER'S ACCEPTANCES		Not to exceed 25%				A1/P1⁽³⁾	180 Days
		0.0%	In Compliance				
OVERNIGHT DEPOSITS		100%	NONE			COLLATERALIZED	
	\$118,859,247.58	1.9%					
5% per issuer across investment type							
CERTIFICATES OF DEPOSIT		Not to exceed 25%				NONE	1 Year
		0.0%	In Compliance				
A1/P1, If >100 days A or better							
COMMERCIAL PAPER		Not to exceed 25% combined with Corp Notes	5% per issuer across investment type				270 Days
		5.5%	In Compliance				
CANADIAN IMPERIAL BANK	\$124,655,854.17	2.0%	In Compliance	A-1	P-1	In Compliance	In Compliance
APPLE INC	\$116,075,658.48	1.9%	In Compliance	A-1+	P-1	In Compliance	In Compliance
MICROSOFT	\$55,331,326.53	0.9%	In Compliance	A-1+	P-1	In Compliance	In Compliance
MERCK & CO	\$26,570,208.00	0.4%	In Compliance	A-1+	P-1	In Compliance	In Compliance
UNITED PARCEL SERVICE	\$21,969,059.44	0.4%	In Compliance	A-1	P-1	In Compliance	In Compliance
A or better ⁽³⁾							
CORPORATE NOTES		Not to exceed 25% combined with CP	5% per issuer across investment type				5 Years
		16.1%	In Compliance				
ROYAL BANK OF CANADA	\$155,206,546.70	2.5%	In Compliance	AA-	Aa3	In Compliance	In Compliance
US BANK N.A. *	\$148,355,053.38	2.4%	In Compliance	AA-	A1	In Compliance	In Compliance
TORONTO DOMINION	\$122,693,410.02	2.0%	In Compliance	AA-	Aa1	In Compliance	In Compliance
WELLS FARGO BANK N.A.	\$95,730,719.90	1.5%	In Compliance	AA-	Aa2	In Compliance	In Compliance
BANK OF MONTREAL	\$91,040,964.42	1.5%	In Compliance	A+	Aa3	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$69,986,585.98	1.1%	In Compliance	A+	Aa3	In Compliance	In Compliance
WALT DISNEY CO	\$51,971,357.30	0.8%	In Compliance	A	A2	In Compliance	In Compliance
PNC BANK	\$50,269,379.01	0.8%	In Compliance	A	A2	In Compliance	In Compliance
BANK OF AMERICA	\$45,058,769.91	0.7%	In Compliance	A+	A1	In Compliance	In Compliance
JP MORGAN	\$42,696,037.05	0.7%	In Compliance	A+	Aa3	In Compliance	In Compliance
MICROSOFT	\$35,140,796.55	0.6%	In Compliance	AAA	Aaa	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$29,995,620.84	0.5%	In Compliance	A+	Aa3	In Compliance	In Compliance
COLGATE PALMOLIVE CO	\$28,977,924.42	0.5%	In Compliance	AA-	Aa3	In Compliance	In Compliance
PROCTER & GAMBLE	\$20,069,776.01	0.3%	In Compliance	AA-	Aa3	In Compliance	In Compliance
APPLE INC	\$13,932,883.38	0.2%	In Compliance	AA+	Aa1	In Compliance	In Compliance

* Purchases prior to 9/15/16 are considered grandfathered in for issuer limit purposes and can be held to maturity.

\$6,234,062,752.43	100.0%
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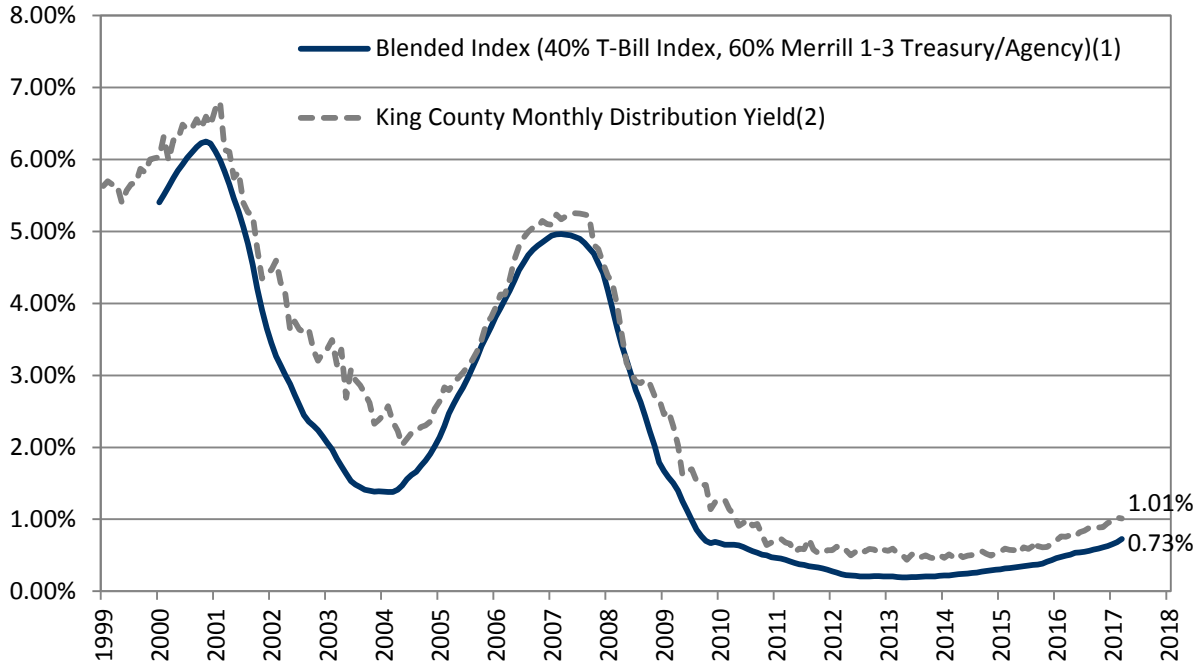
ADDITIONAL PORTFOLIO LEVEL REQUIREMENTS	Actual	Status
Effective Duration Less Than 1.5 Years	1.070	In Compliance
40% of Portfolio Value 12 Months or Less	54.5%	In Compliance
Corporate Exposure Not Greater Than 50%	21.6%	In Compliance
Corp Notes & CP ≤ 25%	21.6%	In Compliance
Maximum Duration of Corp Note Portfolio ≤ 3 years	1.54	In Compliance

(1) Must be rated by at least one nationally recognized rating agency

(2) Also backed by collateral

(3) Must be rated by at least 2 nationally recognized rating agencies

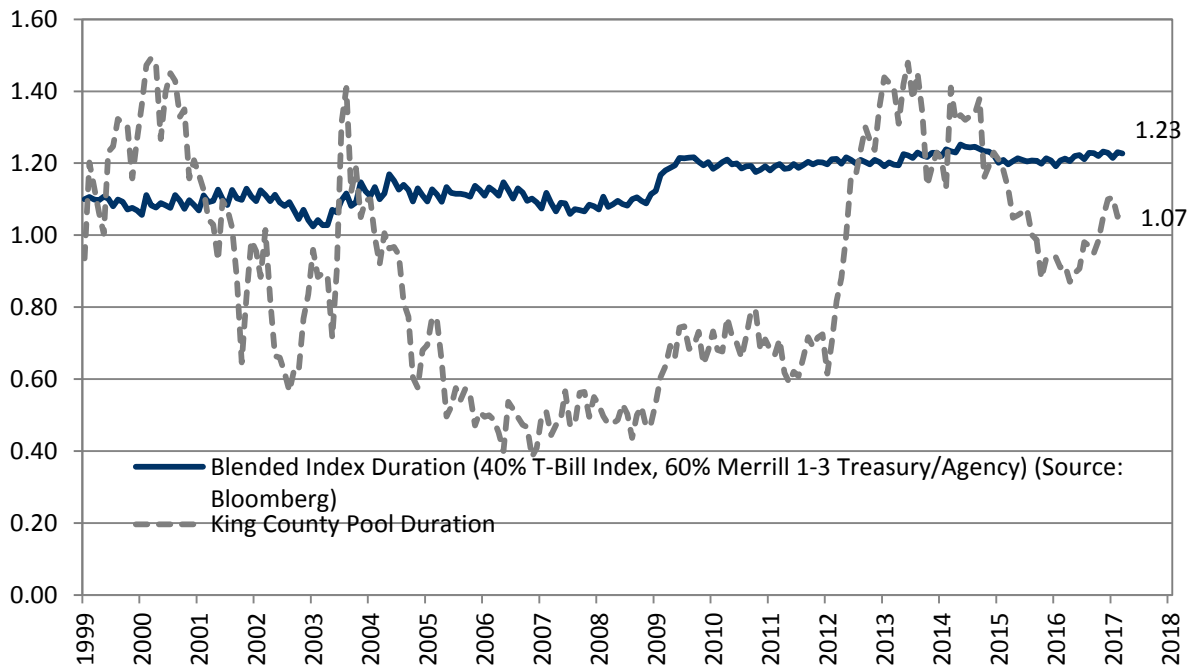
King County Monthly Distribution Yield Versus Custom Index



(1) Calculation for index return adjusted from coupon return to the 12-month moving average of the index's effective yield. (Source: Bloomberg)

(2) Does not include negative distributions from the Impaired Pool

King County Monthly Duration Versus Custom Index



MARCH 2017 TRANSACTIONS



DESCRIPTION	AVG RATE	AVG PAR
PURCHASES		
REPO	0.6	143,000,000.00

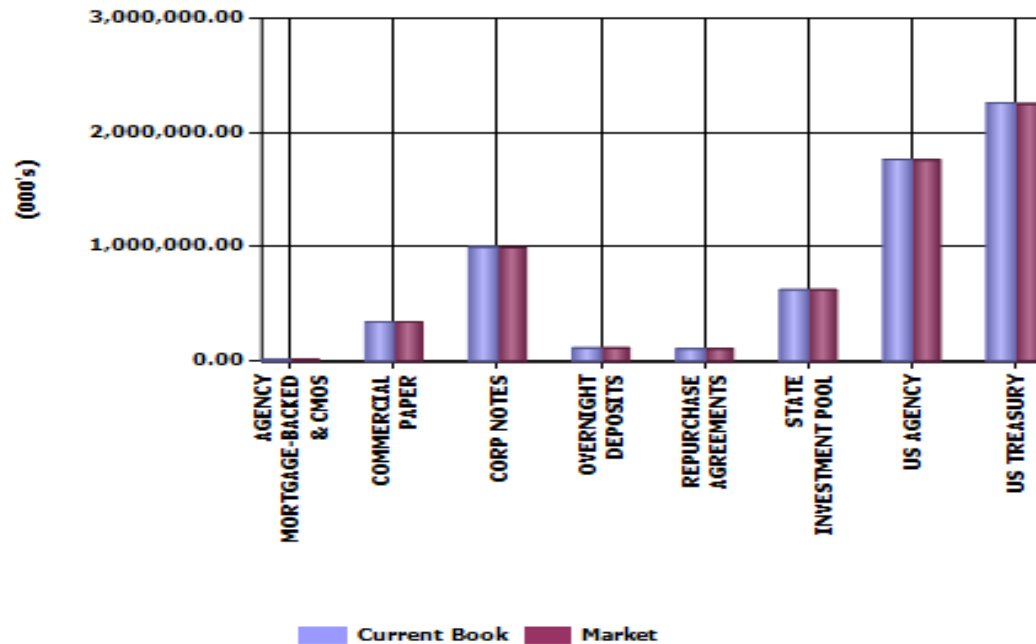
DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE
PURCHASES						
WALT DISNEY	1.950	03/04/2020	03/06/2017	1.959	15,000,000.00	14,996,100.00
JP MORGAN CHASE	1.650	09/23/2019	03/06/2017	1.834	15,688,000.00	15,616,305.84
WALT DISNEY	1.100	12/01/2017	03/07/2017	1.201	37,000,000.00	36,972,620.00
PROCTER & GAMBLE	1.600	11/15/2018	03/08/2017	1.381	20,000,000.00	20,072,600.00
MICROSOFT CORP	1.625	12/06/2018	03/08/2017	1.381	35,000,000.00	35,146,300.00
FED HOME LN BANK	1.375	03/18/2019	03/10/2017	1.492	25,000,000.00	24,942,000.00
FED HOME LN BANK	1.375	03/18/2019	03/10/2017	1.492	50,000,000.00	49,884,000.00
BANK OF NOVA SCOTIA	2.050	06/05/2019	03/21/2017	1.956	15,000,000.00	15,030,150.00
JP MORGAN CHASE	1.650	09/23/2019	03/21/2017	1.882	27,230,000.00	27,075,878.20
FFCB DISCOUNT NT	.000	02/16/2018	03/28/2017	1.060	29,000,000.00	28,725,104.17
FFCB DISCOUNT NT	.000	02/22/2018	03/29/2017	1.081	86,900,000.00	86,047,655.83
FFCB DISCOUNT NT	.000	01/26/2018	03/29/2017	1.039	70,000,000.00	69,393,158.33
MERCK & CO	.000	05/19/2017	03/30/2017	.841	26,600,000.00	26,568,966.67
UPS	.000	06/01/2017	03/30/2017	.831	22,000,000.00	21,968,045.00
LGIP	.702	04/01/2017	03/31/2017	.702	100,000,000.00	100,000,000.00
LGIP	.702	04/01/2017	03/31/2017	.702	314,784.18	314,784.18
TOTAL PURCHASES					574,732,784.18	572,753,668.22

DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE	GAIN/(LOSS)
SELLS							
US TREASURY NOTE	.875	04/30/2017	03/10/2017	.974	50,000,000.00	49,993,188.35	16,577.28
US TREASURY NOTE	.625	05/31/2017	03/21/2017	1.018	50,000,000.00	49,962,485.49	23,842.64
US TREASURY NOTE	2.750	05/31/2017	03/21/2017	.884	50,000,000.00	50,179,750.14	11,656.11
TOTAL SELLS					150,000,000.00	150,135,423.98	52,076.03

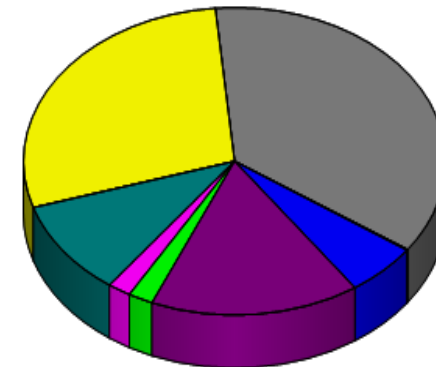


Assets (000's)	PAR	BOOK	MARKET	MKT/BK	YIELD
AGENCY MORTGAGE-BACKED & CMOS	5,449.27	5,533.07	5,818.29	105.15%	4.34%
COMMERCIAL PAPER	345,200.00	344,602.11	344,590.65	100.00%	0.92%
CORP NOTES	999,879.00	1,001,125.82	998,997.22	99.79%	1.54%
OVERNIGHT DEPOSITS	118,859.25	118,859.25	118,859.25	100.00%	0.00%
REPURCHASE AGREEMENTS	111,000.00	111,000.00	111,000.00	100.00%	0.80%
STATE INVESTMENT POOL	625,418.99	625,418.99	625,418.99	100.00%	0.70%
US AGENCY	1,769,959.00	1,766,459.98	1,763,129.78	99.81%	0.97%
US TREASURY	2,254,000.00	2,261,063.52	2,254,241.94	99.70%	0.99%
Totals (000's):	6,229,765.51	6,234,062.75	6,222,056.13	99.81%	1.02%

PORTFOLIO ALLOCATION



CURRENT PAR %



AGENCY MORTGAGE-BACKED & CMOS - 0%
 COMMERCIAL PAPER - 6%
 CORP NOTES - 16%
 OVERNIGHT DEPOSITS - 2%
 REPURCHASE AGREEMENTS - 2%
 STATE INVESTMENT POOL - 10%
 US AGENCY - 28%
 US TREASURY - 36%

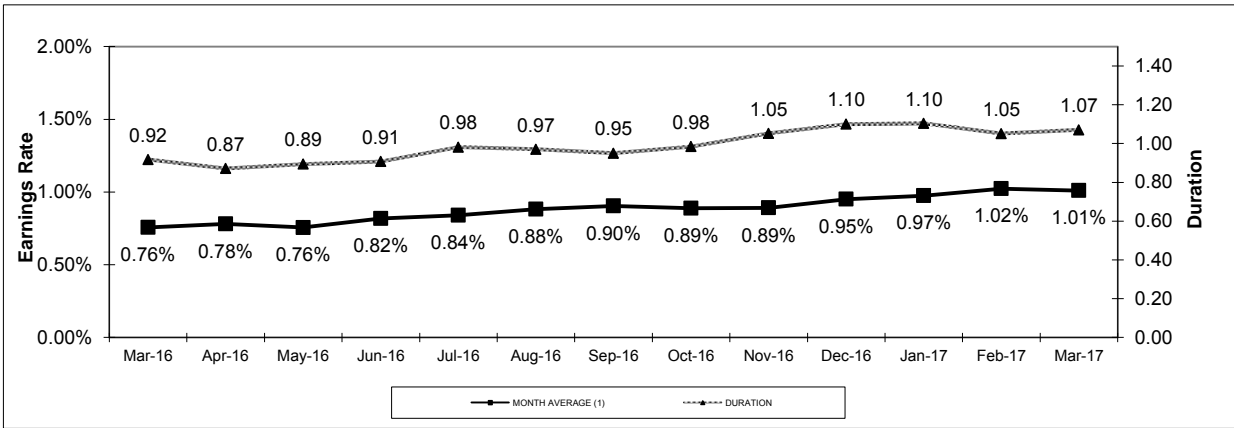
KING COUNTY INVESTMENT POOL

MATURITY DISTRIBUTION AS OF 03/31/2017

<u>CALL/MATURITY</u>	<u>DATE RANGE</u>	<u>NO OF INV</u>	<u>BOOK VALUE</u>	<u>%</u>	<u>CUM %</u>
0 TO 1 MONTHS	04/01/17 - 05/03/17	8	1,010,594,068.02	16.2%	16.2%
1 TO 3 MONTHS	05/04/17 - 06/30/17	11	406,639,984.64	6.5%	22.7%
3 TO 6 MONTHS	07/01/17 - 09/30/17	16	595,982,820.21	9.6%	32.3%
6 TO 12 MONTHS	10/01/17 - 03/31/18	28	1,382,027,162.76	22.2%	54.5%
12 TO 24 MONTHS	04/01/18 - 03/31/19	36	1,678,018,364.74	26.9%	81.4%
24 TO 36 MONTHS	04/01/19 - 03/31/20	24	1,055,061,756.83	16.9%	98.3%
36 TO ** MONTHS	04/01/20 -	5	105,738,595.23	1.7%	100.0%
GRAND TOTALS		128	6,234,062,752.43		

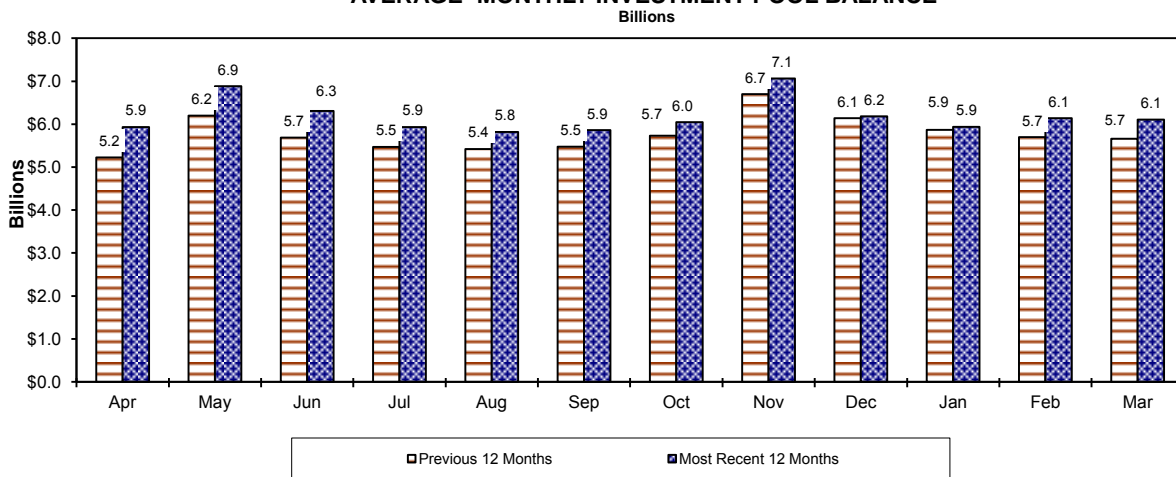
KING COUNTY INVESTMENT POOL

EARNINGS DISTRIBUTION RATE & EFFECTIVE DURATION



(1) Not adjusted yet for realized losses on commercial paper investments.

AVERAGE MONTHLY INVESTMENT POOL BALANCE



KC GENERAL FUND YTD INTEREST EARNINGS

March 31, 2017

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
YTD AVG BALANCE (millions)	\$353	\$358	\$4.9
YTD YIELD	0.39%	1.00%	0.61%
INTEREST DISTRIBUTION (\$)	\$343,308	\$886,637	\$543,329
AUTOMATIC INTEREST (\$)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL INTEREST (\$)	<u>\$343,308</u>	<u>\$886,637</u>	<u>\$543,329</u>

YTD POOL FEE REVENUE

	<u>BUDGET</u>	<u>Collected ⁽¹⁾</u>	<u>Potential Rebate</u>
DIRECT COST FEE DUE TO GF	\$149,733	\$333,091	\$183,358
DIRECT COST FEE TO FBOD	N/A	\$18,163	\$18,163
TOTAL YTD DIRECT POOL FEES	<u>149,733</u>	<u>351,254</u>	<u>\$201,521</u>
	<u>BUDGET</u>	<u>Actual</u>	<u>Difference</u>
CASH MGMT FEE TO GF	\$92,488	\$200,557	\$108,069
CASH MGMT FEE TO FBOD	N/A	\$3,890	N/A
TOTAL YTD CASH MGMT FEES	<u>92,488</u>	<u>204,446</u>	<u>111,958</u>

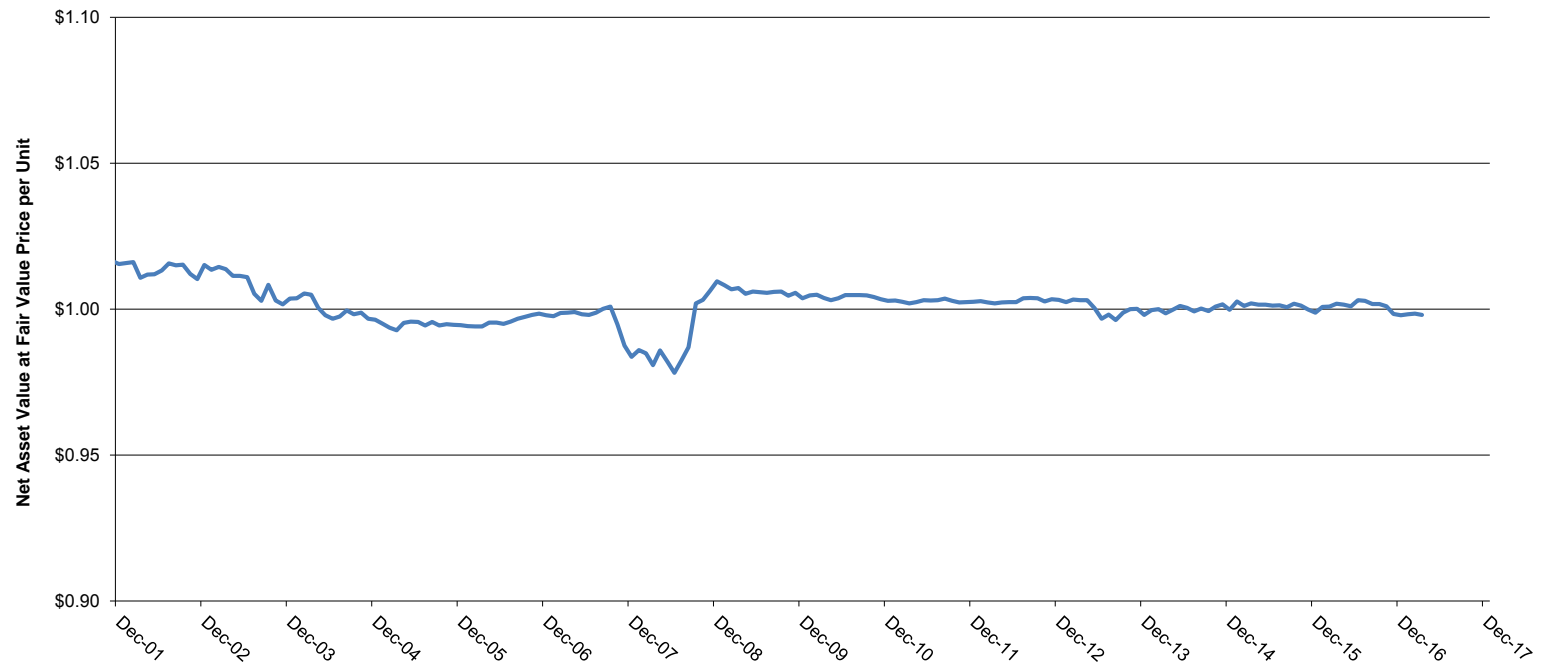
YTD TOTAL POOL
DISTRIBUTION \$14,985,156

(1) Collecting 2.5 basis points for direct fees, but will rebate difference between collected and actual expenses after the fiscal year closes.

King County Investment Pool Fair Value Report

	01/31/17	02/28/17	03/31/17
<u>Net Assets (1)</u>			
Net Assets held in trust for pool participants	<u>\$ 6,202,681,429.00</u>	<u>\$ 6,197,379,757.47</u>	<u>\$ 6,103,804,006.38</u>
Net assets consist of:			
Participant units outstanding (\$1.00 par)	\$ 6,213,813,495.20	\$ 6,206,569,894.70	\$ 6,115,810,631.79
Undistributed and unrealized gains(losses)	<u>\$ (11,132,066.20)</u>	<u>\$ (9,190,137.23)</u>	<u>\$ (12,006,625.41)</u>
Net Assets	<u>\$ 6,202,681,429.00</u>	<u>\$ 6,197,379,757.47</u>	<u>\$ 6,103,804,006.38</u>
Total Pool -- Net asset value at fair value price per unit	<u>\$0.9982</u>	<u>\$0.9985</u>	<u>\$0.9980</u>

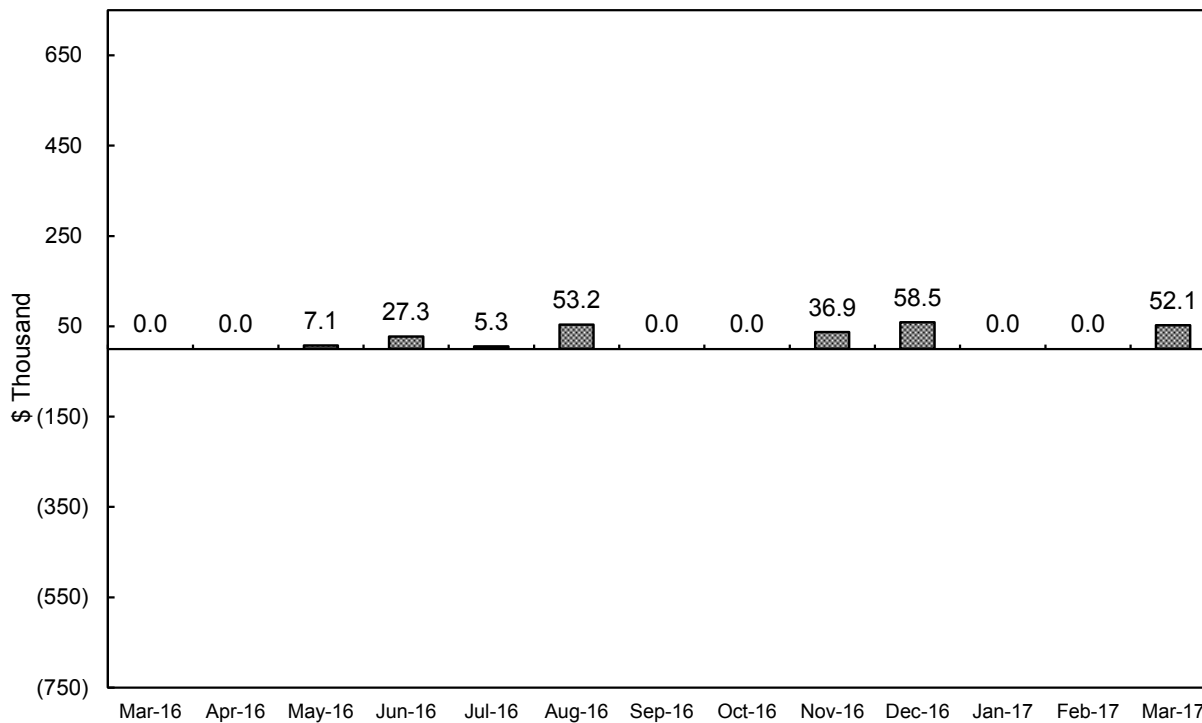
King County Investment Pool History of Fair Value per Dollar Invested (1)



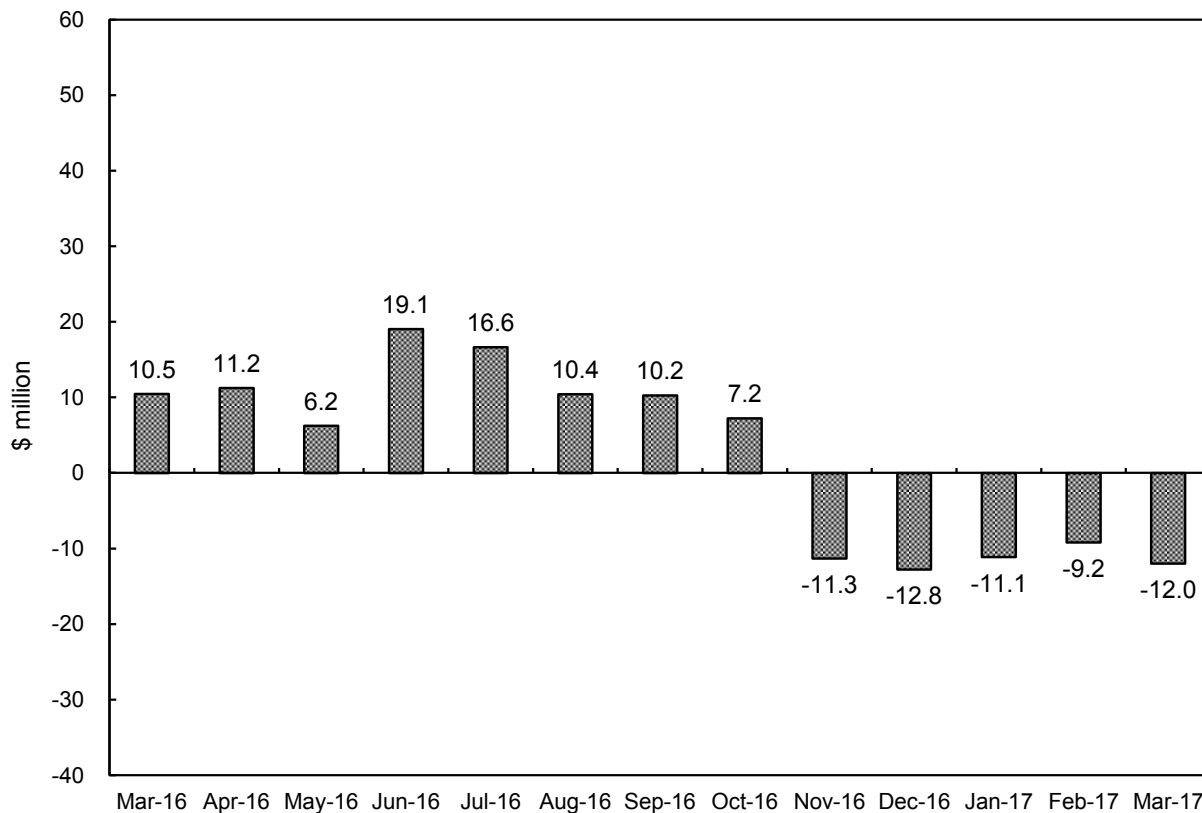
(1) Impaired securities were separated from main pool on 9/1/08

GAIN / LOSS SUMMARY

TOTAL REALIZED GAIN OR LOSS (1)



NET UNREALIZED GAIN OR LOSS (TOTAL PORTFOLIO)



(1) Excludes gains/losses from impaired CP

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

PORTFOLIO DETAIL FINANCIAL ANALYSIS
AS OF 3/31/17

(MANFIN)

SORTING ORDER: MATD

PAGE: 1
RUN: 04/03/17 10:51:58

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
711	LOCAL GOVT INVESTM	.701518	.701518	04/01/17	100.000000	625,418,993.91	625,418,993.91	625,418,993.91	.00	4,387,426.44
1522	CASH-US BANK	.001000	.001000	04/01/17	100.000000	114,480,370.18	114,480,370.18	114,480,370.18	.00	1,144.80
1523	CASH-KEY BANK	.001000	.001000	04/01/17	100.000000	4,146,057.45	4,146,057.45	4,146,057.45	.00	41.46
1524	CASH-BOFA	.001000	.001000	04/01/17	100.000000	232,819.95	232,819.95	232,819.95	.00	2.33
2744	MICROSOFT CORP	.000000	.882546	04/03/17	99.995000	25,000,000.00	24,998,777.78	24,998,750.00	-27.78	220,636.41
2847	Wells Fargo Tri-Re	.800000	.800000	04/03/17	100.000000	111,000,000.00	111,000,000.00	111,000,000.00	.00	888,000.00
2542	FFCB DISCOUNT NOTE	.000000	.623717	04/10/17	99.987000	100,000,000.00	99,984,500.00	99,987,000.00	2,500.00	623,716.66
2740	MICROSOFT CORP	.000000	.903229	04/24/17	99.942500	30,350,000.00	30,332,548.75	30,332,548.75	.00	274,130.01
2263	TORONTO DOMINION B	1.125000	1.058958	05/02/17	99.995000	18,200,000.00	18,201,003.79	18,199,090.00	-1,913.79	192,730.38
2780	APPLE INC	.000000	.882200	05/08/17	99.907500	20,500,000.00	20,481,458.89	20,481,037.50	-421.39	180,850.91
2845	MERCK & CO INC	.000000	.840981	05/19/17	99.880000	26,600,000.00	26,570,208.00	26,568,080.00	-2,128.00	223,700.96
2783	CA IMPERIAL BK	.000000	.993442	06/01/17	99.840722	75,000,000.00	74,874,187.50	74,880,541.50	6,354.00	745,081.71
2846	UNITED PARCEL	.000000	.831207	06/01/17	99.840722	22,000,000.00	21,969,059.44	21,964,958.84	-4,100.60	182,865.61
2809	APPLE INC	.000000	.771617	06/06/17	99.827667	35,750,000.00	35,699,532.92	35,688,390.95	-11,141.97	275,853.21
2808	APPLE INC	.000000	.791946	06/20/17	99.791111	60,000,000.00	59,894,666.67	59,874,666.60	-20,000.07	475,167.87
1609	FHLMC BULLET	1.000000	.977087	06/29/17	100.031000	23,778,000.00	23,779,296.95	23,785,371.18	6,074.23	232,331.75
1613	FHLMC BULLET	1.000000	.963425	06/29/17	100.031000	25,000,000.00	25,002,180.07	25,007,750.00	5,569.93	240,856.13
1734	US TREASURY NOTE	.750000	.950970	06/30/17	99.977000	50,000,000.00	49,975,658.82	49,988,500.00	12,841.18	475,485.12
2423	US TREASURY NOTE	2.500000	.923011	06/30/17	100.402000	50,000,000.00	50,192,731.59	50,201,000.00	8,268.41	461,505.26
2371	BANK OF MONTREAL C	1.300000	1.083873	06/14/17C	99.998000	5,560,000.00	5,562,523.96	5,559,888.80	-2,635.16	60,263.35
1369	FREDDIE MAC CALLAB	1.000000	1.022914	07/25/14C	100.044000	50,000,000.00	49,997,139.04	50,022,000.00	24,860.96	511,456.96
2658	FFCB DISCOUNT NOTE	.000000	.643777	07/27/17	99.751000	51,500,000.00	51,392,880.00	51,371,765.00	-21,115.00	331,545.06
1572	US Treasury Note	.500000	.595581	07/31/17	99.906000	50,000,000.00	49,984,377.54	49,953,000.00	-31,377.54	297,790.25
2782	CA IMPERIAL BK	.000000	1.207892	08/10/17	99.603361	50,000,000.00	49,781,666.67	49,801,680.50	20,013.83	603,945.79
1573	US Treasury Note	.625000	.610249	08/31/17	99.922000	50,000,000.00	50,003,017.78	49,961,000.00	-42,017.78	305,124.36
1745	US TREASURY NOTE	.625000	1.000148	08/31/17	99.922000	50,000,000.00	49,923,546.46	49,961,000.00	37,453.54	500,073.95
1628	Federal Farm Credi	1.125000	1.125000	09/05/17	100.129000	34,900,000.00	34,900,000.00	34,945,021.00	45,021.00	392,625.00
1406	FED HOME LN BANK	.750000	.916458	09/08/17	99.910000	18,980,000.00	18,966,491.75	18,962,918.00	-3,573.75	173,943.73
1408	FED HOME LN BANK	.750000	.914838	09/08/17	99.910000	26,415,000.00	26,396,382.01	26,391,226.50	-5,155.51	241,654.38
2191	US BANK NA OHIO CA	1.375000	1.087077	08/11/17C	100.044000	25,000,000.00	25,026,502.99	25,011,000.00	-15,502.99	271,769.24
2240	US BANK NA CALLABL	1.375000	1.251635	08/11/17C	100.044000	15,000,000.00	15,006,810.20	15,006,600.00	-210.20	187,745.25
1614	FFCB BULLET	1.550000	1.098833	09/18/17	100.348000	19,200,000.00	19,239,338.34	19,266,816.00	27,477.66	210,975.84
1416	Fannie Mae Callabl	1.000000	1.002055	09/20/13C	100.006000	50,000,000.00	49,999,681.11	50,003,000.00	3,318.89	501,027.27
1724	US TREASURY NOTE	.625000	1.025357	09/30/17	99.859000	50,000,000.00	49,902,334.77	49,929,500.00	27,165.23	512,678.56
1744	US TREASURY NOTE	.625000	1.034441	09/30/17	99.859000	50,000,000.00	49,900,127.59	49,929,500.00	29,372.41	517,220.54
1615	FHLB BULLET	1.500000	1.134972	10/10/17	100.243000	32,950,000.00	33,011,638.47	33,030,068.50	18,430.03	373,973.38
2334	ROYAL BK CANADA	1.400000	1.403863	10/13/17	99.971000	15,000,000.00	14,999,687.59	14,995,650.00	-4,037.59	210,579.45
1411	FANNIE MAE	.875000	.919048	10/26/17	99.928000	50,000,000.00	49,987,768.03	49,964,000.00	-23,768.03	459,523.96
2318	US TREASURY NOTE	.875000	.893174	11/15/17	99.953000	50,000,000.00	49,994,370.27	49,976,500.00	-17,870.27	446,587.06
2478	US Treasury Note	.625000	.802706	11/30/17	99.766000	100,000,000.00	99,882,830.81	99,766,000.00	-116,830.81	802,706.40
2777	FRE DISCOUNT NT	.000000	.775156	12/01/17	99.368000	100,000,000.00	99,478,111.12	99,368,000.00	-110,111.12	775,156.29
2818	WALT DISNEY CO	1.100000	1.201094	12/01/17	99.862000	37,000,000.00	36,975,164.61	36,948,940.00	-26,224.61	444,404.72

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 3/31/17

(MANFIN)

PAGE: 2

SORTING ORDER: MATD

RUN: 04/03/17 10:51:58

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2320	US TREASURY NOTE	1.000000	.906428	12/15/17	100.000000	50,000,000.00	50,032,569.55	50,000,000.00	-32,569.55	453,214.00
2276	BANK NOVA SCOTIA C	1.375000	1.499982	11/18/17C	99.960000	25,000,000.00	24,978,150.22	24,990,000.00	11,849.78	374,995.62
1467	FANNIE MAE	.875000	.872335	12/20/17	99.853000	50,000,000.00	50,000,936.71	49,926,500.00	-74,436.71	436,167.35
2786	FRE DISCOUNT NT	.000000	.806036	01/02/18	99.269000	100,000,000.00	99,386,666.66	99,269,000.00	-117,666.66	806,036.32
2321	US TREASURY NOTE	.875000	.931048	01/15/18	99.879000	50,000,000.00	49,978,111.67	49,939,500.00	-38,611.67	465,524.21
2712	FED FARM CREDIT	.720000	.760002	01/16/18	99.642000	43,635,000.00	43,621,257.94	43,478,786.70	-142,471.24	331,626.80
2564	WELLS FARGO BANK	1.650000	1.343175	01/22/18	99.944000	20,000,000.00	20,048,861.94	19,988,800.00	-60,061.94	268,634.99
2103	US Bank NA Callab	1.350000	1.312034	12/26/17C	99.878000	11,500,000.00	11,503,232.90	11,485,970.00	-17,262.90	150,883.87
2120	US BANK NA OHIO CA	1.350000	1.248811	12/26/17C	99.878000	27,225,000.00	27,245,406.30	27,191,785.50	-53,620.80	339,988.86
2643	US BANK NA OHIO CA	1.350000	1.006628	12/26/17C	99.878000	24,462,000.00	24,527,008.38	24,432,156.36	-94,852.02	246,241.35
2843	FFCB DISCOUNT NT	.000000	1.039007	01/26/18	99.205000	70,000,000.00	69,399,166.66	69,443,500.00	44,333.34	727,305.13
2180	US TREASURY NOTE	1.000000	.838724	02/15/18	99.949000	65,000,000.00	65,090,454.13	64,966,850.00	-123,604.13	545,170.58
2840	FFCB DISCOUNT NOTE	.000000	1.060048	02/16/18	99.132000	29,000,000.00	28,728,487.50	28,748,280.00	19,792.50	307,414.03
2842	FFCB DISCOUNT NT	.000000	1.080599	02/22/18	99.115000	86,900,000.00	86,055,404.41	86,130,935.00	75,530.59	939,040.43
2382	US TREASURY NOTE	.750000	.883732	02/28/18	99.719000	50,000,000.00	49,939,693.86	49,859,500.00	-80,193.86	441,865.77
2185	FED HOME LN BANK	1.375000	.994011	03/09/18	100.229000	50,800,000.00	50,978,179.25	50,916,332.00	-61,847.25	504,957.77
2389	US Treasury Note	1.000000	.916246	03/15/18	99.926000	50,000,000.00	50,039,379.36	49,963,000.00	-76,379.36	458,122.80
2164	BANK OF AMERICA	1.650000	1.518078	03/26/18	100.039000	25,000,000.00	25,031,567.84	25,009,750.00	-21,817.84	379,519.53
2165	BANK OF AMERICA	1.650000	1.507939	03/26/18	100.039000	20,000,000.00	20,027,202.07	20,007,800.00	-19,402.07	301,587.79
2531	US Treasury Note	.875000	.809877	03/31/18	99.797000	100,000,000.00	100,064,265.55	99,797,000.00	-267,265.55	809,876.86
2654	US TREASURY NOTE	2.875000	.810066	03/31/18	101.738000	50,000,000.00	51,021,588.96	50,869,000.00	-152,588.96	405,033.13
2264	BANK OF MONTREAL C	1.450000	1.593072	03/09/18C	99.967000	15,376,000.00	15,354,074.52	15,370,925.92	16,851.40	244,950.69
2390	US Treasury Note	.750000	.945737	04/15/18	99.641000	50,000,000.00	49,899,811.66	49,820,500.00	-79,311.66	472,868.67
2516	FED FARM CREDIT	.750000	.818121	04/18/18	99.591000	50,000,000.00	49,964,706.52	49,795,500.00	-169,206.52	409,060.27
2381	US TREASURY NOTE	.625000	.924096	04/30/18	99.481000	50,000,000.00	49,840,699.43	49,740,500.00	-100,199.43	462,047.79
2804	COLGATE-PALM CO	.900000	1.210009	05/01/18	99.595000	29,075,000.00	28,977,924.42	28,957,246.25	-20,678.17	351,809.99
2393	US TREASURY NOTE	1.000000	1.040797	05/15/18	99.875000	50,000,000.00	49,977,473.40	49,937,500.00	-39,973.40	520,398.33
1577	Freddie Mac Callab	.950000	1.036413	05/22/15C	99.568000	23,800,000.00	23,777,227.08	23,697,184.00	-80,043.08	246,666.22
2222	PNC BANK NA	1.600000	1.622972	05/02/18C	99.904000	30,000,000.00	29,992,187.37	29,971,200.00	-20,987.37	486,891.58
2394	US TREASURY NOTE	1.125000	1.068586	06/15/18	99.988000	50,000,000.00	50,033,365.01	49,994,000.00	-39,365.01	534,292.76
2592	FREDDIE MAC CALLAB	1.060000	1.060000	09/22/16C	99.794000	50,000,000.00	50,000,000.00	49,897,000.00	-103,000.00	530,000.00
2598	FREDDIE MAC CALLAB	1.000000	1.000000	12/29/16C	99.785000	50,000,000.00	50,000,000.00	49,892,500.00	-107,500.00	500,000.00
2269	TORONTO DOMINION B	1.750000	1.784038	07/23/18	100.226000	35,000,000.00	34,984,888.03	35,079,100.00	94,211.97	624,413.27
2324	TORONTO DOM BANK	1.750000	1.759103	07/23/18	100.226000	14,529,000.00	14,527,263.80	14,561,835.54	34,571.74	255,580.07
2622	FREDDIE MAC CALLAB	1.050000	1.072803	07/27/18	99.808000	50,000,000.00	49,985,143.84	49,904,000.00	-81,143.84	536,401.27
2623	FANNIE MAE CALLABL	.875000	.977744	07/27/17C	99.456000	50,000,000.00	49,932,982.18	49,728,000.00	-204,982.18	488,871.77
2277	ROYAL BK CANADA	1.800000	1.804127	07/30/18	100.143000	25,000,000.00	24,998,672.43	25,035,750.00	37,077.57	451,031.81
2279	BANK OF MONTREAL	1.800000	1.847154	07/31/18	100.197000	20,000,000.00	19,987,850.00	20,039,400.00	51,550.00	369,430.83
2612	BANK OF MONTREAL	1.800000	1.275150	07/31/18	100.197000	20,000,000.00	20,137,362.03	20,039,400.00	-97,962.03	255,029.94
2653	Bank of Montreal	1.350000	1.352052	08/28/18	99.533000	30,000,000.00	29,999,153.91	29,859,900.00	-139,253.91	405,615.61
2714	US TREASURY NOTE	1.375000	.867782	09/30/18	100.293000	100,000,000.00	100,751,978.28	100,293,000.00	-458,978.28	867,781.95
2673	FREDDIE MAC	.875000	.895912	10/12/18	99.458000	75,000,000.00	74,976,153.76	74,593,500.00	-382,653.76	671,933.81

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 3/31/17

(MANFIN)

PAGE: 3

SORTING ORDER: MATD

RUN: 04/03/17 10:51:58

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2711	FED FARM CREDIT	.850000	.915002	10/25/18	99.464000	98,101,000.00	98,002,180.85	97,575,178.64	-427,002.21	897,625.92
2659	US TREASURY NOTE	1.250000	.825593	11/15/18	100.082000	50,000,000.00	50,340,563.44	50,041,000.00	-299,563.44	412,796.26
2820	PROCTER & GAMBLE	1.600000	1.381066	11/15/18	100.540000	20,000,000.00	20,069,776.01	20,108,000.00	38,223.99	276,213.11
2821	MICROSOFT CORP	1.625000	1.381251	12/06/18	100.419000	35,000,000.00	35,140,796.55	35,146,650.00	5,853.45	483,437.70
2613	ROYAL BK CANADA	2.000000	1.355011	12/10/18	100.347000	25,000,000.00	25,267,329.16	25,086,750.00	-180,579.16	338,752.87
2713	US TREASURY NOTE	1.250000	.898009	12/15/18	100.055000	100,000,000.00	100,593,482.86	100,055,000.00	-538,482.86	898,008.82
1725	US TREASURY NOTE	1.500000	1.520113	12/31/18	100.469000	50,000,000.00	49,982,981.20	50,234,500.00	251,518.80	760,056.29
2445	BANK NOVA SCOTIA	1.950000	1.991060	01/15/19	100.336000	30,000,000.00	29,978,697.24	30,100,800.00	122,102.76	597,318.06
2522	US Treasury Note	1.125000	.885685	01/15/19	99.809000	50,000,000.00	50,210,984.13	49,904,500.00	-306,484.13	442,842.52
2451	TORONTO DOM BANK	1.950000	1.980013	01/22/19	100.454000	35,000,000.00	34,981,635.55	35,158,900.00	177,264.45	693,004.59
2660	US TREASURY NOTE	1.250000	.840709	01/31/19	100.031000	39,000,000.00	39,288,987.32	39,012,090.00	-276,897.32	327,876.43
2540	FANNIE MAE	1.000000	1.041990	02/26/19	99.346000	100,000,000.00	99,921,245.66	99,346,000.00	-575,245.66	1,041,989.97
2824	FED HOME LN BANK	1.375000	1.491832	03/18/19	100.029000	25,000,000.00	24,943,729.00	25,007,250.00	63,521.00	372,958.11
2825	FED HOME LN BANK	1.375000	1.491832	03/18/19	100.029000	50,000,000.00	49,887,457.99	50,014,500.00	127,042.01	745,916.22
2706	US TREASURY NOTE	1.625000	.960279	03/31/19	100.703000	100,000,000.00	101,309,600.11	100,703,000.00	-606,600.11	960,279.19
2521	Royal BK Canada	1.625000	1.643864	04/15/19	99.451000	40,000,000.00	39,985,052.05	39,780,400.00	-204,652.05	657,545.73
2732	US TREASURY NOTE	3.125000	1.225212	05/15/19	103.805000	50,000,000.00	51,981,103.25	51,902,500.00	-78,603.25	612,605.92
2614	WELLS FARGO BANK	1.750000	1.272829	05/24/19	99.684000	50,000,000.00	50,501,044.70	49,842,000.00	-659,044.70	636,414.58
2657	WELLS FARGO BANK	1.750000	1.405147	05/24/19	99.684000	25,000,000.00	25,180,813.26	24,921,000.00	-259,813.26	351,286.75
2532	US Treasury Note	1.500000	1.008230	05/31/19	100.434000	50,000,000.00	50,522,486.76	50,217,000.00	-305,486.76	504,114.78
2833	BANK OF NOVA SCOTIA	2.050000	1.955880	06/05/19	100.336000	15,000,000.00	15,029,738.52	15,050,400.00	20,661.48	293,381.95
2709	US TREASURY NOTE	1.625000	.973093	06/30/19	100.652000	100,000,000.00	101,443,383.47	100,652,000.00	-791,383.47	973,093.39
2727	US TREASURY NOTE	.750000	1.201343	07/15/19	98.684000	50,000,000.00	49,492,770.81	49,342,000.00	-150,770.81	600,671.53
2627	ROYAL BK CANADA	1.500000	1.539030	07/29/19	98.975000	50,000,000.00	49,955,805.47	49,487,500.00	-468,305.47	769,515.00
2608	TORONTO DOM BANK	1.450000	1.453116	08/13/19	98.895000	20,000,000.00	19,998,618.85	19,779,000.00	-219,618.85	290,623.29
2664	CAN IMPERIAL BK	1.600000	1.606170	09/06/19	99.111000	30,000,000.00	29,995,620.84	29,733,300.00	-262,320.84	481,850.93
2693	US TREASURY NOTE	.875000	1.034103	09/15/19	98.777000	100,000,000.00	99,615,785.35	98,777,000.00	-838,785.35	1,034,103.07
2816	JP MORGAN CHASE CA	1.650000	1.834326	09/23/19	99.481000	15,688,000.00	15,618,308.04	15,606,579.28	-11,728.76	287,769.12
2834	JP MORGAN CHASE CA	1.650000	1.882311	09/23/19	99.481000	27,230,000.00	27,077,729.01	27,088,676.30	10,947.29	512,553.16
2695	US TREASURY NOTE	1.000000	1.000000	09/30/19	99.039000	100,000,000.00	100,000,000.00	99,039,000.00	-961,000.00	1,000,000.00
2565	PNC BANK NA CALLAB	2.400000	1.830387	09/18/19C	100.845000	15,000,000.00	15,208,129.66	15,126,750.00	-81,379.66	274,558.12
2568	PNC BANK NA CALLAB	2.400000	1.832954	09/18/19C	100.845000	5,000,000.00	5,069,061.98	5,042,250.00	-26,811.98	91,647.70
2703	FANNIE MAE	1.000000	1.091132	10/24/19	98.782000	100,000,000.00	99,770,705.67	98,782,000.00	-988,705.67	1,091,132.43
2002	US BANK NA OHIO CA	2.125000	2.144078	09/28/19C	100.472000	25,000,000.00	24,988,417.27	25,118,000.00	129,582.73	536,019.57
2121	US BANK NA OHIO CA	2.125000	2.005089	09/28/19C	100.472000	20,000,000.00	20,057,675.34	20,094,400.00	36,724.66	401,017.89
2729	FED HOME LN BANK	1.375000	1.382876	11/15/19	99.654000	35,000,000.00	34,992,944.29	34,878,900.00	-114,044.29	484,006.74
2781	US TREASURY NOTE	1.375000	1.504545	01/15/20	99.766000	100,000,000.00	99,647,486.17	99,766,000.00	118,513.83	1,504,544.64
2788	APPLE INC	1.550000	1.810661	02/07/20	99.402000	14,034,000.00	13,932,883.38	13,950,076.68	17,193.30	254,108.19
2815	WALT DISNEY CO	1.950000	1.959000	03/04/20	100.224000	15,000,000.00	14,996,192.69	15,033,600.00	37,407.31	293,850.04
2490	US Treasury Note	1.500000	1.432685	05/31/20	99.750000	100,000,000.00	100,205,522.59	99,750,000.00	-455,522.59	1,432,685.42
695	FNR 2003-30 LB	5.000000	4.634180	03/25/32	106.391000	1,161,744.09	1,184,942.17	1,235,991.15	51,048.98	53,837.32
701	FNR 2003-33 PT	4.500000	4.255767	05/25/33	107.250000	1,694,566.00	1,718,518.98	1,817,422.04	98,903.06	72,116.78

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 3/31/17

(MANFIN)

PAGE: 4

SORTING ORDER: MATD

RUN: 04/03/17 10:51:58

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
702	FNR 2003-33 UP	4.500000	4.255767	05/25/33	105.751000	1,149,399.17	1,165,646.12	1,215,501.12	49,855.00	48,915.75
703	FNR 2003-33 PU	4.500000	4.255767	05/25/33	107.330000	1,443,560.40	1,463,965.37	1,549,373.38	85,408.01	61,434.57
G R A N D T O T A L S		.976640	1.018502	APR 2018	99.879078	6,229,765,511.15	6,234,062,752.43	6,222,056,126.97	-12,006,625.46	63,447,062.05

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Victoria Recovery Status as of 3/31/2017

Original Cost	\$51,937,149
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Original Par	\$53,300,000	
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Less Accrued not distributed	\$420,537	
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Adjusted Par	\$52,879,463
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Recovered to date	\$44,622,682	84.4%
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Current Par Amount Outstanding	\$8,256,781
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Current Cost Outstanding	\$7,314,467
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Cash Receipts:

	2008	\$7,990,692.29
	2009	\$6,910,588.46
	2010	\$5,443,668.21
	2011	\$7,793,105.01
	2012	\$4,820,226.87
	2013	\$3,388,703.17
	2014	\$3,696,981.20
	2015	\$2,778,796.49
	2016	\$1,526,846.94
	2017	\$273,073.37
	Total	\$44,622,682.01

**Impaired Pool
Holdings Report
3/31/2017**

Commercial Paper Issuer	Status	Current Book Value	Estimated Fair Value	Fair Value Adjustment
Cheyne Finance (1)	Restructured - Cash Out	787,502.14	507,750.00	279,752.14
Rhinebridge (1)	Restructured - Cash Out	84,407.60	84,407.60	-
Victoria Finance (VFNC Trust) (2)	Restructured - Receiving Monthly Cash Payments	8,256,780.99	5,192,262.00	3,064,518.99
Total		9,128,690.73	5,784,419.60	3,344,271.13
Fair Value Ratio			0.6337	

(1) After consulting with the County's financial advisor, the County choose to select the "cash out" option for the Cheyne and Rhinebridge restructurings. However, the Receivers for these programs held back a portion of the cash for various indemnifications. The fair values shown on this report represent the County's potential cash recovery from the amounts being retained by the Receivers. Rhinebridge may make one last small payment later this year.

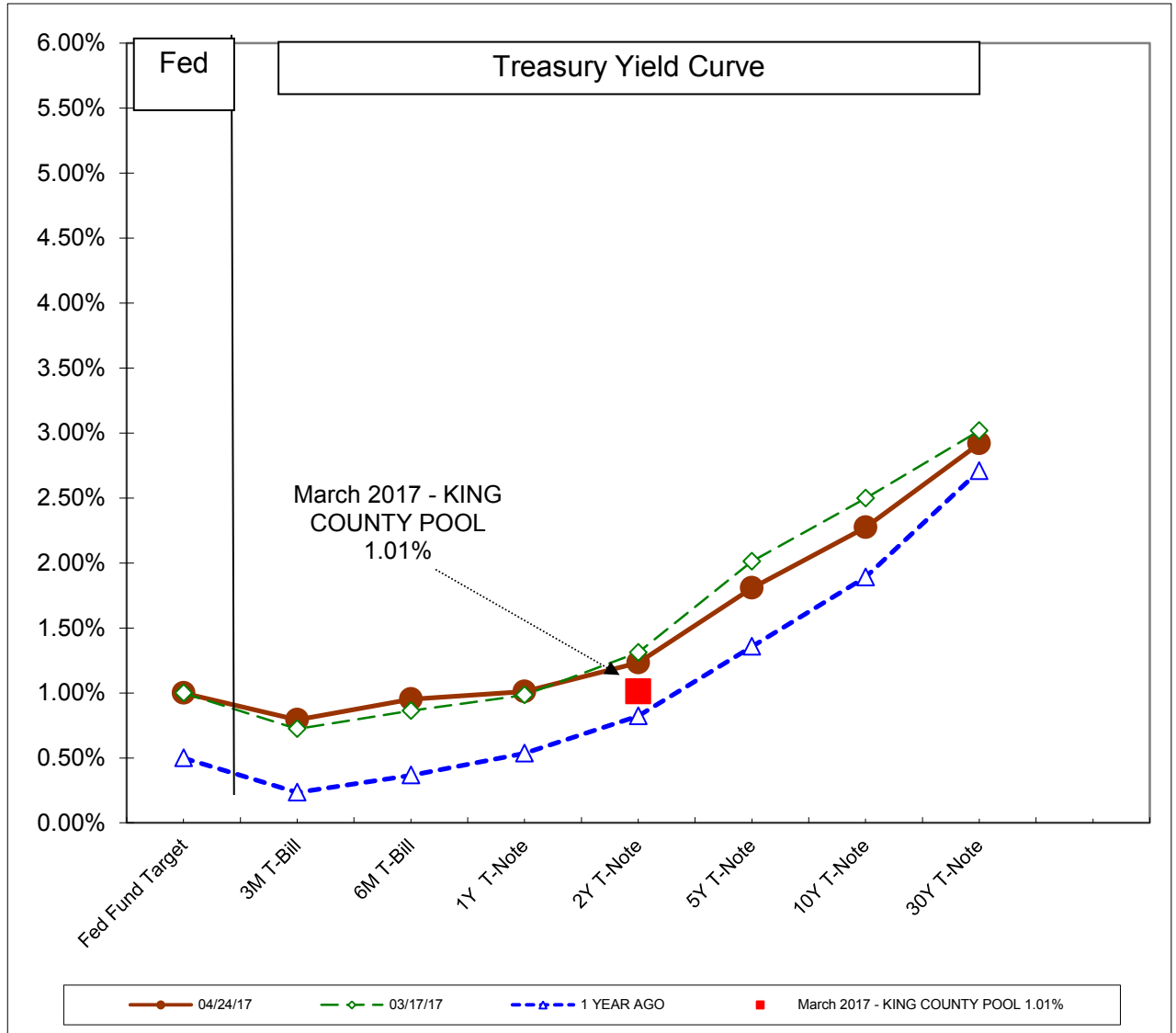
(2) During September 2009, the County completed the restructuring process for Victoria. Based on consultations with legal and financial experts, the County elected to participate in an "Exchange Offer" in which the County's pro rata share of assets in Victoria were transferred to a new company titled VFNC Trust. At the time of Victoria's restructuring the County's financial advisor estimated that by participating in the exchange offer that the overall recovery rate could be between 50 to 76 percent, and potentially higher. The VFNC Trust investment replaced Victoria in the "impaired pool" and it continues to make monthly cash distributions. It is expected that future monthly distributions will continue for at least 5 or 6 more years, or as long as the underlying securities continue to make cash payments. We do not foresee distributing any realized losses related to Victoria until it is apparent that no further cash flows will be forthcoming. Adding the cash recoveries through March and assuming that the asset could be sold at the assumed prices for the underlying securities, the current estimated total recovery would be approximately 94% of the original investment's adjusted par amount.

Combined Earnings History for Impaired and Non-Impaired Pools

	(A)	(B)	(A) + (B)
	<i>Distributed Realized Gains/Losses Resulting from Impaired Investments Purchased in 2007 ⁽³⁾</i>	<i>Total Pool Earnings Distribution</i>	<i>Net Pool Earnings Distributed</i>
YTD 2017	\$0	\$14,985,156	\$14,985,156
2016	\$189,049	\$50,641,904	\$50,830,953
2015	(\$427,263)	\$33,344,087	\$32,916,824
2014	\$0	\$26,330,761	\$26,330,761
2013	\$0	\$24,331,721	\$24,331,721
2012	(\$1,204,894)	\$25,978,721	\$24,773,827
2011	\$0	\$29,270,651	\$29,270,651
2010	\$0	\$42,160,462	\$42,160,462
2009	\$0	\$71,036,470	\$71,036,470
2008	(\$73,296,907)	\$135,838,883	\$62,541,976
2007	\$0	\$199,099,971	\$199,099,971
2006	\$0	\$165,576,358	\$165,576,358

(3) Figures have not been adjusted for recoveries from legal settlements.

INTEREST RATE SUMMARY



	04/24/17	03/17/17	1 YEAR AGO
Fed Fund Target	1.00%	1.00%	0.50%
3M T-Bill	0.79%	0.72%	0.23%
6M T-Bill	0.95%	0.86%	0.37%
1Y T-Note	1.01%	0.98%	0.53%
2Y T-Note	1.23%	1.31%	0.82%
5Y T-Note	1.81%	2.01%	1.36%
10Y T-Note	2.27%	2.50%	1.89%
30Y T-Note	2.92%	3.02%	2.71%

King County Executive Finance Committee

Interfund Borrowing Report for EFC, April 26th, 2017 (MAR-2017 period)

Below is a summary of the causes of the current deficit cash balances.

Funds listed in Black have a description of the cause of the deficit; funds listed in Blue have an EFC-approved loan in place.

Items in Green have not yet been analyzed or needs to be revisited; items in Red appear unusual in nature and should be discussed during today's meeting.

Interest on Interfund Loans - County Tier 2 Funds Paying Interest						
	Item #	Fund No.	AVG Borrowed	Fund Name	Description	
E	A1	00-000-001-0	(25,666,148.83)	CURRENT EXPENSE SUB-FUND	Spending prior to revenue collection	
D	A2	00-000-126-0	(3,750.97)	ALCOHOLISM/SUBSTANCE ABSE	Transaction errors in fund slated for closure	
APPRV'D	A3	00-000-180-0	(6,578,857.90)	PUBLIC HEALTH	Approved interfund loan in place	
Pooled Tier 1 Funds with Negative Cash Balances						
	Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description
E	B1	00-000-106-0	(171,842.27)	(70,563.29)	VETERANS RELIEF	Pending receipt of taxes
	B2	00-000-108-0	(13,157.21)	755,740.91	DCHS ADMINISTRATION	Timing difference
	B3	00-000-121-0	(5,816,576.93)	(4,664,260.05)	SHARED SERVICES FUND	Transfers pending. Invoicing in process.
	B4	00-000-134-6	(307,468.08)	(140,508.91)	DPER GENERAL PUBLIC SERVICES	Pending transfer and receipts pending
APPRV'D	B5	00-000-139-6	(10,511,857.89)	(10,511,852.88)	RISK ABATEMENT/2006 FUND	Approved interfund loan in place
B	B6	00-000-141-5	(105,006.19)	(67,548.21)	PARKING FACILITIES	Pending reimbursement of Jan usage charges
	B7	00-000-142-1	(830,815.14)	(283,224.05)	COMMUNITY SERVICES OPERATING	Delay in receipts (grants & taxes)
B	B8	00-000-156-1	(1,512,633.48)	(1,023,401.57)	KC FLD CNTRL OPR CONTRACT	Reimbursement from District has long approval process
B	B9	00-000-189-0	(40,277.59)	(322,220.71)	PUBLIC HEALTH ADMINISTRATION F	Pending charge-back to other DPH funds
B	B10	00-000-316-0	(467,037.74)	(352,364.08)	FMD-PARKS,REC,OPEN SPACE	Pending reimbursement of late Jan charges
APPRV'D	B11	00-000-331-0	(2,292,328.32)	(761,298.11)	LONG-TERM LEASES	Pending reimbursement of prepayments made in Dec.
B	B12	00-000-349-0	(313,540.05)	(279,014.78)	FMD - PARKS FACILITIES REHAB	Pending revenue transfer
B	B13	00-000-352-2	(314,421.69)	(226,087.94)	OS KC NON BND FND SUBFUND	Pending revenue transfer
A	B14	00-000-357-1	(10,787,220.44)	(8,465,962.23)	KC FLD CNTRL CAP CONTRACT	Reimbursement from District has long approval process
F	B15	00-000-361-2	(751.00)	(42.61)	WTD INTERNALLY FINANCED PROJE	Pending transfer from 361-1
APPRV'D	B16	00-000-390-1	(5,652,468.62)	(4,283,923.81)	SOLID WASTE CONSTRUCTION	Approved bridge loan in place
F	B17	00-000-404-1	(25,338.61)	(212.23)	CONSTRUCTION AND DEMO PROGR	Pending transfer from operating fund
Excluded County Funds with Negative Cash Balances - Tier 2 Funds Not Paying Interest						
	Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description
B	C1	00-000-216-9	(17,197.42)	(9,859.77)	BYRNE JAG GRANT FFY 2014	Pending grant reimbursement
	C2	00-000-224-0	(20,211.29)	474,718.75	EMPLOYMENT & EDUCATN RESOU	Timing difference
APPRV'D	C3	00-000-395-1	(5,438,744.19)	(4,842,937.94)	BLDG REPAIR/REPL SUBFUND	Approved interfund loan in place + pending revenue collection
D	C4	00-000-699-0	(21,864.63)	22,773.46	ASSMT DISTRIBTN / REFUND	Pending special distribution

A: Reimbursement funds - reimbursements are collected periodically from other Agencies
B: Reimbursement funds - pay expenditures first, get reimbursed later, internal to the county
C: Subfund cash transfers - different subfunds within one Agency
D: Known accounting or cash transfer error
E: Anticipated seasonality of receipts
F: Timing issue of receipts and disbursements

Interfund Loans to District & Non-County Funds
March 2017

Fund Number	Fund Name	Average Borrowed	Average Cash Balance	Total Borrowed	Comment
064033020	RENTON SD403 CPTLPRJ92 92	(\$13,005.81)	\$680,870.90	(\$26,011.62)	<= Correction made
064150010	KENT SCH GENERAL REG FUND	(\$3,950,639.72)	(\$3,270,631.20)	(\$110,617,912.16)	<= Loan, now positive
070350010	BEAUX ARTS GEN TAX REG FD	(\$499.25)	\$519.22	(\$1,997.01)	<= Non-District Fund
070360010	BELLEVUE GEN TAX REG FUND	(\$67,503.94)	\$487,534.13	(\$405,023.63)	<= Non-District Fund
070450010	BOTHELL GENERAL TAX REG C	(\$11,737.41)	\$52,462.92	(\$82,161.85)	<= Non-District Fund
070800010	COVINGTON GENERAL TAX	(\$3,198.61)	\$26,964.91	(\$19,191.68)	<= Non-District Fund
071110010	DUVALL GEN TAX REGULAR T	(\$3,213.20)	\$9,165.17	(\$41,771.61)	<= Non-District Fund
071640020	FEDERAL WAY LIFT REV	(\$0.12)	\$0.20	(\$0.25)	<= Non-District Fund
072600010	ISSAQUAH GEN TAX REG C	(\$15,643.19)	\$88,784.93	(\$140,788.75)	<= Non-District Fund
072608510	ISSAQUAH G O BOND FUND	(\$1,564.04)	\$5,586.67	(\$3,128.08)	<= Non-District Fund
072800010	CITY OF KENMORE	(\$9,336.08)	\$55,747.01	(\$149,377.34)	<= Non-District Fund
075420010	SEATAC GEN TAX REG	(\$9,123.65)	\$23,090.12	(\$118,607.40)	<= Non-District Fund
075480010	SHORELINE GENERAL TAX	(\$22,684.43)	\$82,067.46	(\$249,528.69)	<= Non-District Fund
075540010	SNOQUALMIE GEN TAX REG T	(\$4,768.73)	\$30,258.63	(\$33,381.09)	<= Non-District Fund
075910010	TUKWILA GEN TAX REG C	(\$1,593.31)	\$45,174.82	(\$7,966.55)	<= Non-District Fund
100620010	PUGET SOUND RFA EXPENSE	(\$303,057.55)	\$536,460.19	(\$2,424,460.38)	<= Now positive
100630010	RENTON RFA 63 GENERAL FUND	(\$1,039,145.39)	(\$1,039,145.39)	(\$32,213,507.18)	<= Approved Loan
113330530	LAKEHAVEN W&SD -PAYROLL	(\$340,430.87)	(\$87,853.13)	(\$2,723,446.96)	<= Correction made
220010010	DIRECTORS ASSOCIATION	(\$4,305.39)	\$969,358.00	(\$4,305.39)	<= Now positive
Report Total:		(\$5,801,450.69)	(\$1,303,584.44)	(\$149,262,567.62)	

DEFINITIONS

Total Borrowed

Sum of all daily ending negative cash balances for a fund in a particular month.

Average Borrowed

Total borrowed by a fund divided by the number of days in a particular month that the fund had a negative ending balance.

Average Cash Balance

Sum of all ending cash balances (positive & negative) for an entire month divided by the number of days in that month.

Interfund Borrowings from Surplus King County Cash (Automated System)
03/31/17

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Fund Balance at Month-end	Average Amount Borrowed	Interest Paid in Current Month	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-1341	DPER Abatement Sub-Fund	Clean-up construction materials at processing center on MLK Way South. Repayment from sale of property	<u>Original Loan</u> \$400,000	\$161,585	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	6/24/2015
King County	00-000-1800	Public Health Fund	Unmatched reimbursements. Repayment from grant billings, grantor payments, and environmental health permit payments.	<u>Original Loan</u> \$12,000,000 <u>Revised Amt:</u> \$19,000,000 <u>Revised Amt:</u> \$26,000,000 <u>Revised Amt:</u> \$30,000,000 <u>Revised Amt:</u> \$40,000,000 <u>Revised Amt:</u> \$15,000,000	(\$2,202,543)	\$6,578,858	\$5,660	7/31/2013 10/31/2013 4/30/14 1/31/2015 1/28/2015 12/31/16 12/31/17	Pool Rate	King County Surplus Cash	5/22/2013 7/24/2013 12/4/2013 5/28/2014 12/26/2014 1/28/2015 12/2/2015 12/7/2016
King County	00-000-3310	Long Term Lease Fund	Support Phase 4 of King Street Center work space consolidation. Repayment from lease payments.	<u>Original Loan</u> \$2,000,000 <u>Revised Amt:</u> \$4,000,000	(\$2,292,328)	\$1,273,776	\$1,096	12/31/2023	Pool Rate	King County Surplus Cash	12/7/2016 2/22/2017
King County	00-000-3781	KCIT Capital Fund	Fill gap for Mainframe and Unified Communication project not fully covered by bond proceeds.	<u>Original Loan</u> \$5,200,000	\$4,440,560	\$0	\$0	12/31/2019	Pool Rate	King County Surplus Cash	6/25/2014
King County	00-000-3855	County Road Major Maintenance Fund	Short term funding for cash flow requirements in the months leading up to the receipt of property taxes in April and October	<u>Original Loan</u> \$8,000,000	\$2,455,887	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	12/7/2016
King County	00-000-3865	County Road Construction Fund	Short term funding for cash flow requirements in the months leading up to the receipt of property taxes in April and October	<u>Original Loan</u> \$2,000,000	\$1,062,079	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	12/7/2016
King County	00-000-3901	SWD Construction Fund	Bridge loan until bonds can be issued.	<u>Original Loan</u> \$15,000,000	(\$5,652,469)	\$4,283,924	\$3,686	6/30/2017	Pool Rate	King County Surplus Cash	8/24/2016
King County	00-000-3951	Building Repair & Replacement Fund	Support Phase 2 of King Street Center work space consolidation. Repayment from lease payments.	<u>Original Loan</u> \$2,275,600 <u>Revised Amt</u> \$4,976,000	(\$5,438,744)	\$4,842,938	\$4,166	12/31/2020	Pool Rate	King County Surplus Cash	5/27/2015 1/27/16
King County	00-000-5531	KCIT Services Fund	Establish an escrow account for data center bond defeasance. Repayment from existing KCIT rates.	<u>Original Loan</u> \$8,100,000	\$5,513,255	\$0	\$0	12/31/2023	Pool Rate	King County Surplus Cash	2/24/2016
King County	10-063-0010	Renton Regional Fire Authority	The RRFA is a newly established entity and will incur expenses prior to initial tax and FBC collections.	<u>Original Loan</u> \$5,170,000	(\$377,175)	(\$1,039,145)	(\$894)	12/31/2018	Pool Rate	King County Surplus Cash	9/28/2016

Interfund Borrowings (Direct Loans)
03/31/17

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Loan Outstanding at Month-end	Fund Balance At Month-end	Interest Paid	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-3160	Parks and Recreation Open Space Construction Fund	Borrowing is necessary to fulfill the legislative intent of Ordinance 17759 - a use agreement with the Ravensdale Park Foundation. Repayment from REET II revenue.	\$1,475,000	\$475,000	(\$467,038)	N/A	12/31/2017	Pool Rate	Parks and Recreation Fund (1451)	3/26/2014